

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6310**

**BILL NUMBER:** HB 1224

**NOTE PREPARED:** Feb 27, 2008

**BILL AMENDED:** Feb 21, 2008

**SUBJECT:** Gaming.

**FIRST AUTHOR:** Rep. Van Haaften

**FIRST SPONSOR:** Sen. Meeks

**BILL STATUS:** As Passed Senate

**FUNDS AFFECTED:**    **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** (Amended) *Transfer Fee Rules* - The bill voids certain rules adopted by the Indiana Gaming Commission (IGC) concerning the transfer of ownership interests in riverboat owner's licenses. The bill prohibits the Indiana Horse Racing Commission and the IGC from: (1) imposing fees that are not authorized by statute upon the parties to a transfer of ownership interests; and (2) making the approval of a proposed transfer of ownership interests contingent upon the payment of any amount not authorized by statute. It also repeals the 2005 noncode provision.

*Trustees for Casinos* - The bill requires licensed owners, operating agents, and applicants for owner's licenses and operating agent contracts to submit a proposed power of attorney to the Gaming Commission. It provides that the power of attorney must designate a trustee to operate the principal's riverboat on behalf of the principal if certain events occur. It also provides that the Gaming Commission must approve the trustee and the powers delegated to the trustee in the power of attorney. The bill specifies the conditions under which the trustee may conduct gambling operations on a riverboat.

*Confidential Information of Gaming Licensees* - The bill provides that all information maintained by the IGC concerning an individual who holds a riverboat gambling or slot machine facility occupational license is confidential for purposes of the public records law and may be released by the Commission only for law enforcement purposes or to a state or local public agency. It also provides that certain information held by the IGC concerning an applicant for a license under the slot machine facility law is confidential.

(The introduced version of this bill was prepared by the Administrative Rules Oversight Committee.)

**Effective Date:** (Amended) January 1, 2008 (retroactive); upon passage; April 1, 2008; July 1, 2008.

### **Explanation of State Expenditures:**

#### **Explanation of State Revenues:** (Revised) *Transfer Fee Rules* -The bill does the following:

(1) Voids rules adopted by IGC that make approval of an ownership transfer involving a casino license subject to: (a) consideration by the IGC of the economic benefit derived by the person transferring the license; and (b) the state receiving either voluntary or involuntary payments from the person transferring the license.

(2) Voids a rule adopted by the IGC on April 21, 2005, concerning the imposition of a transfer fee on the transfer of a riverboat casino license or operating permit.

(3) Prohibits the IHRC or IGC from imposing ownership transfer fees not authorized by the Riverboat Gaming Law or the Parimutuel Wagering Law. The prohibition relating to the IHRC applies after March 31, 2008.

The IGC emergency rules (amending 68 IAC 5-1-2 and 68 IAC 5-2-2) amended the rules relating to transfers of riverboat casino licenses, licenses to conduct slot machine gaming at horse racetracks, and supplier's licenses to stipulate that "[i]n determining whether to approve a transfer of an ownership interest under this rule, the commission will consider the extent by which the state would share in any monetary payment to or economic benefit realized by the person divesting the ownership interest." The emergency rules were first effective on June 13, 2007, and remain emergency rules having been adopted again effective September 13, 2007, and December 7, 2007. The current emergency rules expire on March 6, 2007. Through the end of 2007, no payments had been made under this rule.

*Trustees for Casinos* - The bill requires riverboat casino owners, riverboat casino operating agents, and applicants to become owners or operating agents to submit a power of attorney to the IGC and identify a trustee to operate the casino and casino amenities if the owner's or operating agent's license is revoked or not renewed, or a proposed transferee is not approved by the IGC and the transferor is unable or unwilling to retain ownership or control of the casino. The bill provides that the trustee must be approved by the IGC and allows the IGC to select a presumptive trustee if an applicant for a license or operating agent's contract or applicant for renewal of a license or operating agent's contract fails to submit the required power of attorney. The bill provides that the IGC must adopt a resolution to allow a trustee to operate a casino. It also allows 180 days from the time of the resolution for the owner to sell the casino and amenities. If the casino is not sold in the 180-day time period, the trustee is allowed to take necessary action to sell the casino.

### **Explanation of Local Expenditures:**

#### **Explanation of Local Revenues:**

**State Agencies Affected:** Indiana Horse Racing Commission; Indiana Gaming Commission.

#### **Local Agencies Affected:**

#### **Information Sources:**

**Fiscal Analyst:** Jim Landers, 317-232-9869.